

11 August 2011

'RESEARCH NEVER STOPS'

info@evotec.com | www.evotec.com

For further information,
please contact

Dr Werner Lanthaler
Chief Executive Officer
+49.(0)40.560 81-242
+49.(0)40.560 81-333 Fax
werner.lanthaler@evotec.com

Evotec AG
Schnackenburgallee 114
22525 Hamburg (Germany)

Evotec reports 34% revenue and profitable earnings growth; revenue guidance raised

Hamburg, Germany – 11 August 2011: Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX) today reported financial results and corporate updates for the first half of 2011.

- **STRONG H1 OPERATIONAL PERFORMANCE**
 - Discovery alliances revenues +34% to € 33.4 m
 - Operating result +169% to € 0.9 m
 - Continued strong liquidity of € 56.5 m despite significant acquisitions and technology investments for growth
- **EXPANDING PORTFOLIO OF DISCOVERY ALLIANCES; GOOD PROGRESS AND MILESTONE ACHIEVEMENTS**
 - Opening the field of biomarker research in strategic partnership with Roche
 - New integrated drug discovery alliance with UCB (after period-end)
 - Significant milestone achievement with Boehringer Ingelheim: € 2 m for clinical Phase I initiation in neuropathic pain in May 2011
 - Milestone achieved in alliance with Ono Pharmaceutical; collaboration expanded
- **CONTINUED EXPANSION OF SCIENTIFIC AND TECHNOLOGY LEADERSHIP**
 - Acquisition of Kinaxo (Evotec Munich) completed as of April 2011
 - Strengthening integrated innovation service offering through acquisition of Compound Focus (Evotec San Francisco)
 - Strategic alliance with PsychoGenics
- **DEVELOPMENT PARTNERSHIPS CONTINUE TO PROVIDE UPSIDE POTENTIAL**
 - New asset deal with EVT 401 in animal health (after period-end)
 - DiaPep277 Phase III programme in diabetes progressing with Andromeda/TEVA
 - Phase II of EVT 101 in treatment-resistant depression voluntarily terminated
- **REVENUE GUIDANCE FOR 2011 RAISED**
 - Approximately 30% revenue growth expected within core business, leading to revenues of € 70 to 72 m (guidance before: € 68 to 70 m)
 - Strategic cash position of Evotec remains strong: liquidity guidance of > € 55 m at year-end confirmed
 - Strong order book indicates strong continuing growth
- **OTHERS**
 - Roland Oetker and Prof Andreas Pinkwart elected to Evotec Supervisory Board

1. Operational performance

Best first half-year performance in Company history: revenues +34% to € 33.4 m and operating result +169% to € 0.9 m

Evotec reported a strong operational performance for the first half of 2011. Total Group **revenues** increased by 34% to € 33.4 m (2010: € 25.0 m) including € 3.9 m from the acquisitions of DeveloGen, Kinaxo and Compound Focus in H1 2011. Meanwhile **R&D expenses** increased by € 1.7 m (59%), mainly from the inclusion of DeveloGen and Kinaxo R&D expenses and the strategic build up of Evotec's beta cell franchise "CureBeta". Despite the acquisitions, **SG&A costs** declined by 2%. On this basis, Evotec's **operating result** for the first half of 2011 was positive at € 0.9 m (2010: € 0.3 m). The Company operates on a strong **gross margin** of more than 40%.

Liquidity including cash, cash equivalents and investments including long-term financial assets at the end of June 2011 remained strong at € 56.5 m.

Going forward, potential milestone achievements in H2 are expected to further enhance Evotec's operating financial performance giving a strong basis for increased operating profitability over 2010 (before impairment, if any).

2. Discovery alliances update

Expanding portfolio of discovery alliances leads to significant growth in sales and orders; good progress in collaborations

Evotec's strategy is to build sustainable, performance-based drug discovery alliances. Consequently, Evotec focuses on high value, revenue generating partnerships with pharmaceutical and biotechnology companies. The Company signed a number of important new contracts, contract extensions and expansions and made good progress in many of its current programmes.

Opening the field of response prediction and biomarker research in strategic partnership with Roche

In June 2011, Evotec announced an important strategic collaboration with Roche in novel protein-activity based biomarkers for oncology drugs in development. Evotec will employ its PhosphoScout® platform, to discover protein-phosphorylations that predict favourable dosage and efficacy of targeted cancer drugs in patients. These biomarkers are core to the development of targeted therapeutics for cancer therapy. Roche is responsible for conducting clinical trials as well as assessing the development of companion diagnostics for patient stratification. Under the initial three-year term Evotec and Roche will conduct multiple biomarker programmes for therapeutic antibodies or small molecule inhibitors. Evotec will receive undisclosed up-front and success-based payments for each programme.

New integrated drug discovery alliance with UCB (after period-end)

In July 2011, Evotec entered into a three year integrated drug discovery collaboration with UCB to identify small molecule modulators of important biological targets, selected by UCB, involved in CNS disorders. As part of the collaboration, Evotec will apply their integrated drug discovery expertise and technologies to identify interesting small molecules against the selected targets. The molecules will be further optimised and progressed through lead optimization to preclinical candidates. Evotec will receive a fixed research funding fee over the term of collaboration and will be further rewarded on achieving the goals of the research collaboration with early stage discovery, preclinical and clinical milestones. In addition, Evotec will receive royalties based on net sales of any approved drugs from the collaboration.

Milestone achievements with Boehringer Ingelheim and Ono Pharmaceutical

During the second quarter of 2011, continued strong progress was made in Evotec's discovery collaboration with **Boehringer Ingelheim**. A second back-up compound in this strategic alliance has advanced into clinical trials as a novel treatment for neuropathic pain. With the initiation of the Phase I clinical studies, Evotec earned a milestone payment of € 2.0 m in May 2011. As of 30 June 2011, Evotec achieved in total 13 milestones within this collaboration that was initiated in 2004.

In June, Evotec announced the achievement of specific success criteria in its research collaboration with **Ono Pharmaceutical Co., Ltd.** and the receipt of a milestone payment. This collaboration was initiated in October 2009 to identify small molecules targeting an ion channel implicated in cardiovascular, CNS and urological diseases and the collaboration has now successfully identified multiple compounds meeting various criteria in activity, selectivity and pharmacokinetic characteristics. Evotec and Ono have agreed to continue this research collaboration until April 2012 and to enter into lead optimisation.

3. Acquisition update

Continued expansion of scientific and technology leadership

Evotec focuses on augmenting its technology platform to continuously strengthen its ability to provide integrated drug discovery solutions for customers. At the same time, the Company is developing early assets in highly innovative areas of drug discovery such as beta cell biology and technologies to better understand oncology or metabolic diseases to kick-start new alliances. In line with this strategy, the Company has announced two acquisitions in H1 2011:

Acquisition of Kinaxo (Evotec Munich) completed as of 18 April 2011

During the second quarter of 2011, Evotec completed the acquisition of Kinaxo Biotechnologies GmbH, a Munich-based drug discovery alliance company supporting the development of targeted drugs. The acquisition added proprietary technologies for compound profiling, target deconvolution and response prediction, important for timely decisions on drug efficacy and safety, especially in the key area of oncology. These unique technologies significantly strengthen the Company's discovery offering to customers.

As a result of the transaction, first announced on 9 February 2011, Kinaxo has become a wholly-owned integrated subsidiary of Evotec.

Strengthening integrated innovation offering through acquisition of Compound Focus (Evotec San Francisco)

Effective 1 June 2011, Evotec acquired Compound Focus, Inc., the compound management business of BioFocus, based in South San Francisco, US. The company's technologies are focused on automated storage and custom design solutions for small molecule drugs. The current key customer base includes US federal institutes and pharma companies such as Elan, Sunovion Pharmaceuticals (formerly: Sepracor) and Procter & Gamble.

This acquisition allows Evotec to augment its early drug discovery offering substantially and provides critical mass to its existing compound management offering. It will substantially improve the Company's ability to support its alliance partners in developing and managing their compound libraries and further strengthen its own hit identification capabilities. In addition, the acquisition adds profitable revenues further enhancing Evotec's earnings profile going forward.

4. Status of clinical and preclinical programmes

Development partnerships continue to provide upside potential
Evotec is focusing on a number of carefully selected core assets, which the Company is progressing towards clinical development and for which it is seeking strategic product development partnerships to fund these developments. To reduce Evotec's risk profile the Company is not investing in larger clinical trials on its own. The Company's current clinical stage portfolio comprises several development partnerships. The following updates can be reported:

New asset deal with EVT 401 in animal health (after period-end)

Evotec has announced that it has entered into a world-wide license and collaboration agreement with a top tier animal health company that intends to develop the proprietary Evotec compound EVT 401, a selective, small molecule P2X7 antagonist, in the companion animal market. Evotec is entitled to receive technology access fees, development and commercial milestone payments, and significant tiered royalties on net sales. Evotec retains all rights to the programme for human therapeutic use.

DiaPep277 Phase III programme in diabetes progressing with Andromeda Biotech/TEVA

DiaPep277, a synthetic peptide in development for the treatment of type 1 diabetes, acquired through the acquisition of DeveloGen, is progressing as planned in Phase III studies conducted by Andromeda Biotech and Teva Pharmaceutical. First Phase III data are expected to be published in 2012.

Phase II of EVT 101 in treatment-resistant depression voluntarily terminated

In May, Evotec and Roche decided to voluntarily terminate the first proof-of-concept study in treatment-resistant depression with their NR2B sub-type selective NMDA antagonist EVT 101. The decision was triggered by difficulties in recruiting patients under the current study protocol, resulting in the possibility of inconclusive results. EVT 101 was generally well tolerated in healthy volunteers and the patients enrolled. Evotec now holds all rights in the EVT 100 series, including the back-up compound EVT 103, and has reinitiated partnering discussions for these assets.

5. Guidance 2011

Revenue guidance for 2011 raised

Based on a strong H1 2011 operational performance, Evotec for the second time in 2011 raised its revenue guidance for the current fiscal year that was published on 24 March and first updated with the acquisition of Compound Focus on 1 June: In 2011, total Group revenues are now expected to grow by approximately 30%, leading to revenues of € 70 to 72 m (March: € 64 to 66 m; June: € 68 to 70 m). Evotec also confirmed its 2011 year-end liquidity target of > € 55 m at constant year-end 2010 currencies. This target was updated as a result of the Compound Focus acquisition in June 2011 (before: € 65 m) as € 10.25 m of the potential total cash purchase price of € 12.5 m is paid in 2011.

All other financial targets remain unchanged. Focusing on key programmes, especially in the fields of innovation in metabolic diseases and regenerative medicine, the Company expects research & development (R&D) expenses to increase to approximately € 10 m from 2010 levels. On this basis, Evotec's Group operating result before impairment charges, if any, is expected to be profitable and improve over 2010.

Webcast / Conference Call

The Company is going to hold a conference call to discuss the results as well as to provide an update on its performance:

Conference call details:

Date: Thursday, 11 August 2011

Time:

09.30 a.m. CEST

08.30 a.m. BST

03.30 a.m. US time (East Coast)

From Europe:

+49 (0) 6958 999 0805 (Germany)

+44-207-153-2027 (UK)

From the US: +1-480-629-9726

Access Code: 4460055

A simultaneous slide presentation for participants dialing in *via* phone is available at www.equitystory.com, password: evotec0811.

Webcast details

To join the *audio webcast* and to access the *presentation slides* you will find a link on our home page www.evotec.com shortly before the event.

A replay of the conference call will be available for 24 hours and can be accessed in Europe by dialing +49 69 58 99 90 568 (Germany) or +44 207 154 2833 (UK) and in the US by dialing +1 303 590 3030. The access code is 4460055#. The on-demand version of the webcast will be available on our website: www.evotec.com/Investors/Financial-Reports-2010-2011/

ABOUT EVOTEC AG

Evotec is a drug discovery alliance and development partnership company focused on rapidly progressing innovative product approaches with leading pharmaceutical and biotechnology companies. We operate worldwide providing the highest quality stand-alone and integrated drug discovery solutions, covering all activities from target-to-clinic. The Company has established a unique position by assembling top-class scientific experts and integrating state-of-the-art technologies as well as substantial experience and expertise in key therapeutic areas including neuroscience, pain, metabolic diseases as well as oncology and inflammation. Evotec has long-term discovery alliances with partners including Boehringer Ingelheim, CHDI, Genentech, Medimmune/Astra Zeneca and Ono Pharmaceutical. In addition, the Company has existing development partnerships and product candidates both in clinical and preclinical development. These include partnerships with Boehringer Ingelheim, MedImmune and with Andromeda (Teva) in the field of diabetes. For additional information please go to www.evotec.com.

FORWARD-LOOKING STATEMENTS — Information set forth in this press release contains forward-looking statements, which involve a number of risks and uncertainties. The forward-looking statements contained herein represent the judgement of Evotec as of the date of this report. Such forward-looking statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, and which could cause actual results to differ materially from those contemplated in these forward-looking statements. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based.